

AMENDED IN SENATE SEPTEMBER 11, 2009

AMENDED IN SENATE JULY 23, 2009

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1076**

**Introduced by Assembly Member Jones**

(Principal coauthor: Senator Alquist)

February 27, 2009

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~~An act to amend Sections 14132.27 and 14133.10 of the Welfare and Institutions Code, relating to Medi-Cal. An act to amend Section 53545.13 of the Health and Safety Code, to amend and supplement the Budget Act of 2007 (Chapters 171 and 172 of the Statutes of 2007) by amending Item 2240-101-6069 of Section 2.00 of that act, and to amend and supplement the Budget Act of 2009 (Chapter 1 of the 2009-10 Third Extraordinary Session) by amending Item 2240-101-6069 of Section 2.00 of that act, relating to housing and community development.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1076, as amended, Jones. ~~Medi-Cal.~~ *Infill Incentive Grant Program of 2007.*

*Existing law establishes the Infill Incentive Grant Program of 2007 to be administered by the Department of Housing and Community Development and, upon appropriation by the Legislature, requires the department to establish and administer a competitive grant program to allocate funds to selected capital improvement projects that are an integral part of, or necessary to facilitate the development of, a*

*qualifying infill project or qualifying infill area, as defined. Existing law requires the department to adopt guidelines for the operation of the grant program, and requires the guidelines to include provisions for the reversion of grant awards that are not encumbered within 4 years of the fiscal year in which an award was made.*

*The Budget Act of 2009 appropriates \$190,000,000 for local assistance to the department from the Regional Planning, Housing and Infill Incentive Account of 2006, and requires that the funds appropriated be available for liquidation of encumbrances until June 30, 2014. The Budget Act of 2007 appropriates \$300,000,000 for local assistance to the department payable from the Regional Planning, Housing and Infill Incentive Account, and requires the funds appropriated to be available for liquidation of encumbrances until June 30, 2012.*

*Existing law requires a redevelopment agency, for the 2009–10 fiscal year, to remit a specified amount of funds, as determined by the Director of Finance, to the county auditor for deposit in the Supplemental Educational Revenue Augmentation Fund within the county treasury prior to May 10, 2010.*

*This bill would require the department, with respect to grant awards affected by the requirement that a redevelopment agency remit a specified amount of funds, to include guidelines, among the adopted guidelines, for the reversion of grant awards that are not encumbered within a reasonable period of time, to be determined by the department.*

*The bill would also revise the Budget Act of 2009 and the Budget Act of 2007 to require the department, with respect to grant awards affected by the requirement that a redevelopment agency remit a specified amount of funds, to develop guidelines for the reversion of grant awards that are not encumbered within a reasonable period of time, to be determined by the department.*

~~Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons.~~

~~Existing law requires the department to apply for a waiver of federal law to test the efficacy of providing a disease management benefit, as described, to specified beneficiaries under the Medi-Cal program. Existing law permits the director, in undertaking this program, to enter into contracts for the purpose of directly providing specified services.~~

~~This bill would add the designation of a primary care provider as a patient's medical home to the list of components that a disease~~

management benefit would include for purposes of the waiver. The bill would also specify that this component only apply to a contract entered into or renewed by the director after January 1, 2010.

~~Existing law authorizes the director, in conducting Medi-Cal acute care inpatient hospital utilization controls, to establish a program of aggressive case management of elective, nonemergency acute care hospital admissions.~~

~~This bill would, if the director has established a program of aggressive case management, require the director, on or after July 1, 2010, to expand the program to include Medi-Cal beneficiaries who meet prescribed conditions. The bill would specify that the expansion would only be implemented to the extent that funds are appropriated by the Legislature, or are otherwise made available, for that purpose.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 53545.13 of the Health and Safety Code
- 2     is amended to read:
- 3     53545.13. (a) The Infill Incentive Grant Program of 2007 is
- 4     hereby established to be administered by the department.
- 5     (b) Upon appropriation of funds by the Legislature for the
- 6     purpose of implementing paragraph (1) of subdivision (b) of
- 7     Section 53545, the department shall establish and administer a
- 8     competitive grant program to allocate those funds to selected
- 9     capital improvement projects that are an integral part of, or
- 10    necessary to facilitate the development of, a qualifying infill project
- 11    or a qualifying infill area.
- 12    (c) A qualifying infill project or qualifying infill area for which
- 13    a capital improvement project grant may be awarded shall meet
- 14    all of the following conditions:
- 15    (1) Be located in a city, county, or city and county, in which
- 16    the general plan of the city, county, or city and county, has an
- 17    adopted housing element that has been found by the department,
- 18    pursuant to Section 65585 of the Government Code, to be in
- 19    compliance with the requirements of Article 10.6 (commencing
- 20    with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
- 21    Government Code.

1 (2) Include not less than 15 percent of affordable units, as  
2 follows:

3 (A) For projects that contain both rental and ownership units,  
4 units of either or both product types may be included in the  
5 calculation of the affordability criteria.

6 (B) (i) To the extent included in a project grant application, for  
7 the purpose of calculating the percentage of affordable units, the  
8 department may consider the entire master development in which  
9 the development seeking grant funding is included.

10 (ii) Where applicable, an applicant may include a replacement  
11 housing plan to ensure that dwelling units housing persons and  
12 families of low or moderate income are not removed from the low-  
13 and moderate-income housing market. Residential units to be  
14 replaced may not be counted toward meeting the affordability  
15 threshold required for eligibility for funding under this section.

16 (C) For the purposes of this subdivision, “affordable unit” means  
17 a unit that is made available at an affordable rent, as defined in  
18 Section 50053, to a household earning no more than 60 percent of  
19 the area median income or at an affordable housing cost, as defined  
20 in Section 50052.5, to a household earning no more than 120  
21 percent of the area median income. Rental units shall be subject  
22 to a recorded covenant that ensures affordability for at least 55  
23 years. Ownership units shall initially be sold to and occupied by  
24 a qualified household, and subject to a recorded covenant that  
25 includes either a resale restriction for at least 30 years or equity  
26 sharing upon resale.

27 (D) A qualifying infill project or qualifying infill area for which  
28 a disposition and development agreement or other project- or  
29 area-specific agreement between the developer and the local agency  
30 having jurisdiction over the project has been executed on or before  
31 the effective date of the act adding this section, shall be deemed  
32 to meet the affordability requirement of this paragraph (2) if the  
33 agreement includes affordability covenants that subject the project  
34 or area to the production of affordable units for very low, low-, or  
35 moderate-income households.

36 (3) Include average residential densities on the parcels to be  
37 developed that are equal to or greater than the densities described  
38 in subparagraph (B) of paragraph (3) of subdivision (c) of Section  
39 65583.2 of the Government Code, except that a project located in  
40 a rural area as defined in Section 50199.21 shall include average

1 residential densities on the parcels to be developed of at least 10  
2 units per acre.

3 (4) Be located in an area designated for mixed-use or residential  
4 development pursuant to one of the following adopted plans:

5 (A) A general plan adopted pursuant to Section 65300 of the  
6 Government Code.

7 (B) A project area redevelopment plan approved pursuant to  
8 Section 33330.

9 (C) A regional blueprint plan as defined in the California  
10 Regional Blueprint Planning Program administered by the  
11 Business, Transportation and Housing Agency, or a regional plan  
12 as defined in Section 65060.7 of the Government Code.

13 (5) For qualifying infill projects or qualifying infill areas located  
14 in a redevelopment project area, meet the requirements contained  
15 in subdivision (a) of Section 33413.

16 (d) In its review and ranking of applications for the award of  
17 capital improvement project grants, the department shall rank the  
18 affected qualifying infill projects and qualifying infill areas based  
19 on the following priorities:

20 (1) Project readiness, which shall include all of the following:

21 (A) A demonstration that the project or area development can  
22 complete environmental review and secure necessary entitlements  
23 from the local jurisdiction within a reasonable period of time  
24 following the submittal of a grant application.

25 (B) A demonstration that the eligible applicant can secure  
26 sufficient funding commitments derived from sources other than  
27 this part for the timely development of a qualifying infill project  
28 or development of a qualifying infill area.

29 (C) A demonstration that the project or area development has  
30 sufficient local support to achieve the proposed improvement.

31 (2) The depth and duration of the affordability of the housing  
32 proposed for a qualifying infill project or qualifying infill area.

33 (3) The extent to which the average residential densities on the  
34 parcels to be developed exceed the density standards contained in  
35 paragraph (3) of subdivision (c).

36 (4) The qualifying infill project's or qualifying infill area's  
37 inclusion of, or proximity or accessibility to, a transit station or  
38 major transit stop.

39 (5) The proximity of housing to parks, employment or retail  
40 centers, schools, or social services.

(6) The qualifying infill project or qualifying infill area location's consistency with an adopted regional blueprint plan or other adopted regional growth plan intended to foster efficient land use.

(e) In allocating funds pursuant to this section, the department, to the maximum extent feasible, shall ensure a reasonable geographic distribution of funds.

(f) Funds awarded pursuant to this section shall supplement, not supplant, other available funding.

(g) (1) The department shall adopt guidelines for the operation of the grant program, including guidelines to ensure the tax-exempt status of the bonds issued pursuant to this part, and may administer the program under those guidelines.

(2) ~~The~~ *(A) Except as provided in subparagraph (B), the guidelines shall include provisions for the reversion of grant awards that are not encumbered within four years of the fiscal year in which an award was made, and for the recapture of grants awarded, but for which development of the related housing units has not progressed in a reasonable period of time from the date of the grant award, as determined by the department.*

*(B) With respect to grant awards that may be affected by the enactment of Section 33690, the department shall include guidelines for the reversion of grant awards that are not encumbered within a reasonable period of time, to be determined by the department.*

(3) The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(h) For each fiscal year within the duration of the grant program, the department shall include within the report to the Legislature, required by Section 50408, information on its activities relating to the grant program. The report shall include, but is not limited to, the following information:

(1) A summary of the projects that received grants under the program for each fiscal year that grants were awarded.

(2) The description, location, and estimated date of completion for each project that received a grant award under the program.

(3) An update on the status of each project that received a grant award under the program, and the number of housing units created or facilitated by the program.

1     *SEC. 2. Item 2240-101-6069 of Section 2.00 of the Budget Act*  
2     *of 2007 is amended to read:*

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4     2240-101-6069—For local assistance, Department of Housing  
5     and Community Development, payable from the Regional  
6     Planning, Housing and Infill Incentive Account..... 300,000,000

7     Provisions:

- 8     1. Notwithstanding Section 16304.1 of the Government  
9     Code, funds appropriated in this item shall be available  
10    for liquidation of encumbrances until June 30, 2012.  
11    *With respect to grant awards that may be affected by*  
12    *the enactment of Section 33690 of the Health and*  
13    *Safety Code, the Department of Housing and Commu-*  
14    *nity Development shall develop guidelines for the re-*  
15    *version of grant awards that are not encumbered*  
16    *within a reasonable period of time, to be determined*  
17    *by the department.*

18  
19    *SEC. 3. Item 2240-101-6069 of Section 2.00 of the Budget Act*  
20    *of 2009 is amended to read:*

21  
22    2240-101-6069—For local assistance, Department of Housing  
23    and Community Development, payable from the Regional  
24    Planning, Housing and Infill Incentive Account, Housing  
25    and Emergency Shelter Trust Fund of 2006..... 190,000,000

26    Provisions:

- 27    1. Notwithstanding Section 16304.1 of the Government  
28    Code, funds appropriated in this item shall be available  
29    for liquidation of encumbrances until June 30, 2014.  
30    *With respect to grant awards that may be affected by*  
31    *the enactment of Section 33690 of the Health and*  
32    *Safety Code, the Department of Housing and Commu-*  
33    *nity Development shall develop guidelines for the re-*  
34    *version of grant awards that are not encumbered*  
35    *within a reasonable period of time, to be determined*  
36    *by the department.*

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**All matter omitted in this version of the bill  
appears in the bill as amended in the  
Senate, July 23, 2009 (JR11)**

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